

DIRECT TESTIMONY OF

DONALD M. BISHOP

**ON BEHALF OF
THE CONNECTICUT LIGHT AND POWER COMPANY**

D.T.E. 02-35

Q. Please state your full name and business address.

A. Donald M. Bishop. My business address is 101 Federal Street, 13th Floor, Boston, Massachusetts 02110.

Q. Please state your position.

A. I am the Manager of Regulatory Policy - Massachusetts for Northeast Utilities Service Company. Northeast Utilities Service Company ("NUSCO") provides services to affiliates within the Northeast Utilities system, including The Connecticut Light and Power Company ("CL&P"). In my position, I am responsible for regulatory matters before the Department of Telecommunications and Energy ("Department").

Q. Please provide your educational background and work experience.

A. I hold a Masters of Science degree in Total Quality Management from Anna Maria College and a Bachelor of Arts degree from the University of Massachusetts – Amherst. I joined NUSCO in June 1999 as a senior analyst in the regulatory planning department. In September 2001, I was promoted to my present position. Prior to joining NUSCO, I held various rate and regulatory positions with Eastern Utilities Associates Service Corporation.

1 **Q. Have you previously testified before the Department?**

2 A. Yes. I have testified before the Department several times and before the New
3 Hampshire Public Utilities Commission (“NH PUC”) and the Rhode Island Public Utilities
4 Commission as well.

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6 **Q. What is the purpose of your testimony?**

7 A. The purpose of my testimony is to support The CL&P’s request for certain findings under
8 Section 32(c) of the Public Utility Holding Company Act of 1935 (“PUHCA”).

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10 **Q. What is the context of CL&P’s request?**

11 A. CL&P and other owners of the Seabrook Nuclear Power Station in Seabrook, New
12 Hampshire are selling their ownership shares in that asset to FPL Energy Seabrook, LLC
13 (“FPLE Seabrook”). CL&P has asked the Connecticut Department of Public Utility
14 Control (“CT DPUC”) for approval of this asset sale. CL&P’s May 17, 2002 petition to
15 the CT DPUC was submitted to the Department on May 22, 2002. Because CL&P has
16 a retail affiliate in Massachusetts subject to the jurisdiction of the Department, Western
17 Massachusetts Electric Company (“WMECO”), CL&P is obligated to request the
18 findings described below.

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20 **Q. Please explain the findings that have been requested of the Department under**
21 **PUHCA.**

22 A. CL&P has requested the Department make certain findings that are required by Section
23 32 of PUHCA in order for FPLE Seabrook to be able to obtain exempt wholesale
24 generator (“EWG”) status. CL&P is seeking specific findings from the Department that

1 allowing the Seabrook Nuclear Power Station facilities assets to become “eligible
2 facilities” pursuant to Section 32: (1) will benefit consumers; (2) is in the public interest;
3 and (3) does not violate state law. Once such findings are made in the relevant
4 jurisdictions, FPLE Seabrook will be seeking to have the Federal Regulatory Energy
5 Commission (“FERC”) determine that the Seabrook facilities assets are “eligible facilities”
6 pursuant to Section 32 of PUHCA.

7 EWG status is critical to FPLE Seabrook because it allows ownership and
8 operation of Seabrook Nuclear Power Station without regulation as a public utility
9 company under PUHCA. The EWG exemption to PUHCA was specifically created in
10 1992 to avoid subjecting competitive generation to the restrictions of PUHCA and to
11 enhance the creation of a competitive market. Without the EWG condition, the Seabrook
12 assets would be virtually unmarketable, and, in any event, the purchase price realized by
13 CL&P and the other participating joint owners would likely have been greatly reduced.
14 EWG status is a closing condition, and, as such, is crucial to obtaining the benefits of the
15 sale. New England Power Company and the Canal Electric Company, two
16 Massachusetts jurisdictional entities also selling Seabrook Nuclear Power Station assets,
17 are also filing requests for these same findings from the Department (*see*, D.T.E. 02-33
18 and D.T.E. 02-34, respectively).

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20 **Q. Has the Department issued the requested findings to CL&P previously?**

21 A. Yes. The Department issued the identical findings to CL&P in D.T.E. 99-80 and D.T.E.
22 00-69. The CL&P requested those findings in connection with the sale of certain fossil
23 and hydro generating assets and the sale of its ownership share in Millstone Station.
24 Similarly, the CT DPUC and the NH PUC made the same findings for WMECO when it

1 divested its fossil and hydro generating assets and its ownership share of Millstone
2 Station.

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4 **Q. When do CL&P and the other parties to the sale of the Seabrook Nuclear Power**
5 **Station wish to close the sale?**

6 A. The parties wish to close this transaction in November 2002. In order to remain on this
7 time schedule, CL&P asks that the Department issue the requested findings by August
8 30, 2002. The Department's approval, and that of the other state commissions
9 considering the sale must be issued before FPLE Seabrook can file its FERC application
10 for EWG status. The FERC process is likely to take up to 60 days.

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12 **Q. Does this conclude your testimony?**

13 A. Yes, it does.

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